

34-26-1 Extent and condition of preference.

If any property of any person is seized through any process of any court, or when his business is suspended by the act of creditors or is put into the hands of a receiver, assignee, or trustee, either by voluntary or involuntary action, the amount owing to workmen, clerks, traveling or city salesmen, or servants, for work or labor performed within five months next preceding the seizure or transfer of the property shall be considered and treated as preferred debts, and the workmen, clerks, traveling and city salesmen, and servants shall be preferred creditors, the first to be paid in full. If there are not sufficient proceeds to pay them in full, then the proceeds shall be paid to them pro rata, after paying costs. No officer, director, or general manager of a corporation employer or any member of an association employer or partner of a partnership employer is entitled to this preference.

Amended by Chapter 206, 1987 General Session